

# FISCAL NOTE

**Bill #:** SB0195

**Title:** Revise military service purchase provisions for PERS

**Primary Sponsor:** J. D. Lynch

**Status:** As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Net Impact on General Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

#### **Public Employee's Retirement System**

1. The U.S. currently has 4,179,000 Korean conflict veterans and 8,166,000 Vietnam conflict veterans. These numbers represent 1.56% and 3.05% of the population, respectively.
2. Montana has approximately 13,722 Korean veterans and 26,814 Vietnam veterans.
3. PERS is estimated to have 1,440 members who are veterans and have an average of 2.4 years of service.
4. The additional annual cost is .29% of compensation, for a total additional liability to the system of \$16,769,000.

#### **Department of Military Affairs**

5. This legislation will benefit the individual veteran who served during the times set in the legislation.
6. There is no fiscal impact to the department.

LONG-RANGE IMPACTS:

This bill will extend the unfunded liability of the Public Employees' Retirement System.

TECHNICAL NOTES:

1. The bill states the service will be provided at no cost. While the member may receive the service at no cost, granting the service represents a significant cost the Public Employee's Retirement System. All members of the system will pay the cost.
2. This bill will increase the unfunded liability of the Public Employees' Retirement System by \$16,769,000.